THE SECOND DAY.

13th February 1913.

The Assembly met at 11 A. M. on Thursday, the 13th February 1913.

The consideration of the subjects, as per the list distributed to the Members on the previous day, was begun.

I.—Finance.

SUBJECTS.

1. The need for an efficient, economical and equitable distribution of the State finances.

Mr. A. Govinda Menon, B. A. (Member, Parur taluk) conveyed the grateful thanks of the Nair community to His Highness' Government for the boon conferred on them by the passing of the Nair Regulation, I of 1088. He referred with gratification to the sympathy, zeal, patience and skill which the Dewan had displayed in the passing of the Regulation and added that the Regulation was destined to work a silent revolution and produce important and far-reaching results in the social structure of a large and influential community in the State.

Coming to his subject, the Member observed that it was a matter for sincere congratulation that the finances of the State were in a prosperous condition in spite of the large recurring expenditure incurred in recent years. He said that, in the distribution of the State revenue under the various heads of expenditure, the Government had rarely kept in view that sound principle of finance, *viz.*, that ordinarily no extraordinary expenditure should be met from the current revenues. The steady increase had led the Government to something bordering on extravagance in their zeal for efficiency in some of the departments of the administration. The proportion of the total revenue annually allotted to items particularly intended to raise the level of the moral and material well-being of the people was highly inadequate, and the allotments under some heads, notably Public Works, were often made without due consideration of the claims of all classes and places in the State. Those defects were due more or less to the fact that sufficient attention was not being paid to the public opinion as expressed even in the Assembly, and it was not likely that they would ever be removed unless and until the tax-payers of the State were given some *real* share in the administration of the finances of their country. With a view to remove the aforesaid drawbacks in the fiscal administration, the Member submitted the following proposals for the serious consideration of the Government :—

Firstly, he suggested that, ordinarily, no extraordinary expenditure, like those incurred on costly reproductive works such as the Kodayar Project, should be met from the current

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revenues to the detriment of current demands and that reproductive works should, as far as possible, be undertaken by the State itself under its immediate control and supervision. In respect of the latter, the Member pointed out the instance of the Quilon—Shencotta Railway and said that the wasteful extravagance shown in the construction of that line should be a warning of the danger of entrusting such expenditure to others without sufficient check and control.

Secondly, he proposed the following modifications in the 'machinery of the administration' so as to give the people some real and substantial share in the administration of the revenue. They were (1) that the constitution of the Popular Assembly should be so modified as to make it play a more useful and effective part in the administration of the country, by enacting (*a*) that the Members of the Assembly should be elected for a period of at least three years, as was the case with similar representative assemblies outside the State, (*b*) that the Government and the heads of departments should promptly comply with all demands for information made by the Members, provided they were reasonable and not prejudicial to public policy, (*c*) that the Assembly should have the power to move resolutions on all matters of public interest, (*d*) that those resolutions should be acted upon by the Government unless vetoed by the Sovereign, (*e*) that the annual Budget estimates should be framed in consonance with the representations made by the Members of the Assembly, and (*f*) that the Assembly should have the right to elect the majority of the non-official Members of the Legislative Council; (2) that the Legislative Council should be enlarged and its powers and functions widened on the model of the like institutions in British India. He said that, as matters stood at present, it might be difficult to expand the Legislative Council in such a way as to make the discussion of the State Budget immediately possible there. Until that could be done, he suggested, as an alternative, that, as in Madras, a Financial Committee, consisting of officials and an equal number of Members of the Assembly, not less than two from each division, should be formed and that the Budget should be framed in accordance with the united opinion of such a Committee. He prayed that that at least be at once carried out; (3) that District Boards and Taluk Boards should be constituted, and sanitation, primary education, minor public works and, medical relief entrusted to their management; and (4) that the existing Town Improvement Committees should be reformed and modelled on the lines of the British Indian Municipalities.

Thirdly, the Member dealt with the 'distribution of the State revenue'. He requested that the distribution of the State revenue might be made with due regard to the wants and requirements of the people in the different parts of the State and in the order of their importance and urgency and that adequate allotments might be made under the following heads. Under 'Agriculture', the Member prayed for the establishment of at least one model agricultural school and a sufficient number of agricultural farms in each division, of manure and seed depots in all important agricultural centres, of State-aided village and district agricultural co-operative credit associations and of State-aided cattle-breeding farms in all suitable centres of the State.

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Under 'Commerce and Industry', he asked for the establishment of at least one commercial and industrial institution and dwelt upon the necessity of an economic and industrial survey of the country. Under 'Education', he urged for the extension of Primary and Secondary Education and also for making Primary Education free both in principle and in practice. In that connection, the Member referred with regret to the circumstance that sufficient encouragement was not being given by the Government to aided education and he feared that the progress of education was bound to be slow if such encouragement be not given. Comparing the statistics regarding the strength in the Primary schools from 1076, he regretted that the number of boys had now considerably gone down in spite of the increase in the school-going population. Many grant-in-aid schools had already disappeared and it would not at all be possible to replace them by pial schools. He also urged for the improvement of the pay and prospects of the lady teachers by fixing their minimum salary at Rs. 15 instead of Rs. 10 as at present and for the improvement of Vernacular education and literature. Under 'Police', he pointed out the necessity for raising the minimum pay of constables from Rs. 7 to Rs. 9 per mensem. Under 'Medicine and Sanitation', he dwelt upon the necessity for providing the District hospitals and dispensaries with a sufficient supply of medicine and also for providing a well-equipped staff to look after urban and village sanitation.

Fourthly, he advocated a 'reform and retrenchment in the Public Works, Forest and Police Departments and in the Charitable Institutions'. In the opinion of the Member, the present strength in the higher grades of Assistant and Executive Engineers in the P. W. Department and in the ranks of Circle Inspectors and District Superintendents in the Police Department, was far above the actual requirements of the State and it should, therefore, be reduced to the requisite minimum. It was highly necessary that the two departments should be worked efficiently at the minimum cost. To gain that end, natives of the State or, in their absence, natives of India, should be freely appointed as the heads of departments and the entertainment of European officers should be resorted to only when absolutely required in special departments and for special reasons. He added that the control of 'minor works' (works under Rs. 20,000) should be taken away from the Public Works Department and entrusted to the charge of the District and Taluk Boards and to the Municipal bodies in the State. Provision should also be made for stricter scrutiny into the Public Works and Forest Departments and also into the Charitable Institutions of the State.

Fifthly, he dwelt upon the 'expansion of State resources' and suggested that the fisheries of the State should be developed and worked on a scientific basis, that the port of Quilon should be improved to suit better the needs of commerce, and that the Government should, on the suggestion of the State Geologists, work at their own expense any kind of mineral deposits that might be found profitable.

Lastly, the Member requested that the Government should insist on the publication of the Annual Reports of Departments, with the orders of the Government thereon, for

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the information of the public and that copies of them should be made available at a moderate price.

Dewan's reply.—Noted.

2. Suggesting a new budget of expenditure and taxation.

Mr. G. Venkatarama Iyer (Member, T. I. C., Vaikom) began to read a paper containing his observations on the Delhi Darbar. The Dewan having told him that it had no connection of any kind with his subject, he next took up the question of what he called the Reserve Fund. He said that, since the year 1083, there were recurring surpluses every year in the State. But he thought that it was not sufficient to maintain an equilibrium. Every State or Government ought to be prepared for possible emergencies, such as foreign wars and internal rebellions and famine and pestilence. Fortunately for Travancore, the responsiblity of declaring war and peace rested with the British Government, and so long as the annual subsidy of 8 lakhs of rupees was paid, not a single pie need be spent in maintaining a well-trained army or a strong navy. In regard to the other contingency, *viz.*, famine, he said that, looking into the history of famine in Travancore, the only recorded famine was that of 1036. Under the favourable conditions that existed in Travancore, there was no need for any apprehension on account of famine. There was, therefore, no necessity for any very strong Reserve Fund in Travancore. Still, with a view to meet unforseen contingencies, he would propose a Reserve Fund of 3 lakhs of rupees annually. He added that there should be no difficulty for the State to find any extra funds that might be required at any time from the accumulated treasure of the Devaswoms, as was done in the year 1855 A. D.

He next dealt with the evils of financial surpluses. In the present constitution of the Government, the people had no voice in regulating the expenditure of the State. It also received no sort of check either in the Legislative Council or in the Popular Assembly. If there had been an Executive Council, that would have been useful in checking the expenditure. Almost every department of the State had been re-organised and the expenditure under "salaries and establishment charges" increased by leaps and bounds. He was compelled to say that the expenditure in many of the departments, such as Public Works and Police, was extravagant, and, considering the galloping speed at which the expenditure was increasing out of all proportion to the State revenue, the out-look looked very frightening. But turning to the people, they were groaning under ever-increasing burdens, such as registration fees, court fees, stamp fees, school fees, tolls and ferry charges. During the past five years, the school fees had been raised on three occasions. The steady financial surpluses and the capabilities of the State to bear increased expenditure could not therefore be taken to indicate the prosperity of the country. His object in taking up the subject was to suggest a new budget of expenditure for the State. His original idea was to bring down the budget of expenditure from 134 to 87 lakhs of rupees, but it was not possible to bring a galloping horse to a trot all at once. He, therefore, proposed that the budget of expenditure be immediately reduced to 111 lakhs of rupees a year and that that amount should be left unaltered for a period of five years. He then

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